

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All County Assessors

FROM: Micah G. Vincent, Commissioner *MGV*

RE: Exemption of Certain Property from Taxation

DATE: June 10, 2013

On May 4, 2013, Governor Mike Pence signed into law Senate Enrolled Act 517 ("SEA 517"). Sections 3 and 4 introduce changes affecting the exemption of certain property from taxation. These changes are effective January 1, 2014. Please note that this memorandum is not a substitute for the law; rather, it is intended to be an informative bulletin. Indiana law always governs.

Section 3 amends IC 6-1.1-10-2 such that real property leased to a state agency is exempt from property taxes if the lease, regardless of the commencement date, requires the state agency to reimburse the owner for property taxes. If a state agency leases less than all of a parcel of real property, the exemption is equal to the part of the gross assessed value of the real property attributable to the real property leased by the state agency.

Section 4 adds IC 6-1.1-10-45 which states that a sign manufactured for the Indiana Department of Transportation to comply with federal law 23 U.S.C. 131 (control of outdoor advertising) is exempt from personal property taxation. The owner of personal property that wishes to obtain this exemption must file an exemption claim along with the owner's annual personal property tax return. The claim must describe and state the assessed value of the personal property for which an exemption is claimed. The township or county assessor must review the exemption claim and allow or deny the exemption claim in whole or in part. The assessor's action is subject to all the provisions of IC 6-1.1 pertaining to notice, review, or appeal of personal property assessments. The township or county assessor must reduce the assessed value of the owner's personal property for the year for which the exemption is claimed by the amount of exemption allowed.

Questions may be directed to Staff Attorney Mike Duffy at 317-233-9219 or mduffy@dlgf.in.gov.